

VILLAGE OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

Auditing Procedures Report

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Issued under Public Act 2 of 1968, as amended.

Unit Name	Village of Hopkins	County	ALLEGAN	Type	VILLAGE	MuniCode	03-3-020
Opinion Date-Use Calendar	Jun 24, 2008	Audit Submitted-Use Calendar	Jun 27, 2008	Fiscal Year-Use Drop List	2007		

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/>	18. Are there reported deficiencies?
<input type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 202,214.00
General Fund Expenditure:	\$ 285,648.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 6,048.00
Governmental Activities Long-Term Debt (see instructions):	\$ 48,399.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	Theresa E	Last Name	Steffes	Ten Digit License Number	1101026910		
CPA Street Address	424 Western Ave, Ste A	City	Allegan	State	MI	Zip Code	49010
CPA Firm Name	Angle & Steffes, P.C.	Unit's Street Address	424 Western Ave, Ste A	City	Allegan	LU Zip	49010

VILLAGE OF HOPKINS

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INDEPENDENT AUDITOR'S REPORT

June 24, 2008

To The Village of Hopkins Council Members
Allegan County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Hopkins, Allegan County, Michigan as of and for the year ended December 31, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Hopkins, Allegan County, Michigan management. Our responsibility is to express an opinion on these financial statements based on our audit.

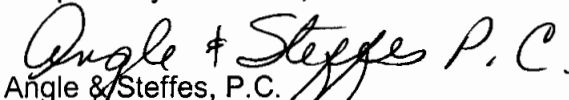
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Hopkins as of December 31, 2007, and the respective changes in financial position, thereof for the twelve months then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 24, 2008, on our consideration of the Village of Hopkins' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of an audit.

The management's discussion and analysis and budgetary comparison information on pages 2 - 3 and 27 through 30 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,


Angle & Steffes, P.C.
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Village of Hopkins as a whole and present a long-term view of the Village's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide financial statements.

The Village as a Whole

The Government Wide Statements show that, overall, the primary Village unit's net assets decreased by \$54,451. Total Governmental Fund balances decreased by \$80,623, which includes the component units.

Government Wide Statements

	<u>12 months – 2007</u>	<u>Unaudited – 2006</u>
<u>Assets</u>		
Current Assets	\$ 239,123	\$ 241,878
Capital Assets	<u>982,800</u>	<u>872,738</u>
Total Assets	1,221,923	1,114,616
<u>Liabilities</u>		
Total Liabilities	<u>106,018</u>	<u>2,878</u>
<u>Net Assets</u>		
Invested in Property and Equipment	934,401	509,220
Restricted for Roads	24,703	21,977
Restricted for Public Safety	1,935	2,223
Unrestricted	<u>154,866</u>	<u>578,316</u>
Total Net Assets	\$ 1,115,905	\$ 1,111,736
<u>Revenues</u>		
Charges for Services	\$ 56,633	\$ 69,113
Taxes	96,996	82,668
State Revenues	105,660	107,140
Rents of Equipment	43,859	42,714
Interest and other revenues	<u>35,946</u>	<u>29,986</u>
Total Revenues	339,094	331,621
<u>Expenses</u>		
Total Primary Governmental Services	\$ 393,545	\$ 333,542

MANAGEMENT DISCUSSION AND ANALYSIS – (continued)

Amounts available for appropriations were \$63,660 over the original budgeted amounts. This includes \$50,000 of debt financing. Outflows of appropriations were \$123,234 over original budgeted amounts.

An Analysis of these activities shows the following:

Village Operations	(\$19,052)	Less than originally budgeted.
Building and Grounds	\$26,798	More than originally budgeted.
Attorney Fees	\$6,280	More than originally budgeted.
Capital Outlay	\$110,388	More than originally budgeted.
Police	\$14,287	More than originally budgeted.

Due to Main Street and other major streets deteriorating faster than expected we had to do some major street resurfacing sooner than originally planned. The Village is continuing to work with the DDA on improvements to the downtown area. Our goal is attracting new businesses and encouraging existing ones to expand and improve. In conjunction with the DDA we were able to provide additional downtown parking that was needed.

The Villages financial position has deteriorated some during the year. For this reason we felt compelled to cut back some services in 2008. Leaf pickup will not be provided in 2008, the Police Department has been cut back along with some cuts to our Maintenance Department. These cut backs of services should have a positive effect on our financial position.

Contacting the Village of Hopkins Management

Copies of the audited financial reports are available through the Village Clerk. If you have any questions, or need further information, please contact the Clerk or attend the monthly Village of Hopkins Board meetings.

**VILLAGE OF HOPKINS
GOVERNMENT WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2007**

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	\$ 40,435	\$ 98,138	\$ 138,573	\$ 133,478
Investments	0	0	0	0
Receivables - net	44,135	52,981	97,116	54,376
Prepays	3,434	0	3,434	1,451
Capital assets - net	636,572	346,228	982,800	95,498
 Total Assets	 724,576	 497,347	 1,221,923	 284,803
LIABILITIES				
Accounts payable	3,412	0	3,412	1,207
Accrued and other liabilities	51,906	2,301	54,207	2,543
Noncurrent Liabilities				
Due within one year	10,460	0	10,460	0
Due in more than one year	37,939	0	37,939	0
 Total Liabilities	 103,717	 2,301	 106,018	 3,750
NET ASSETS				
Invested in Capital Assets				
Net of related debt	588,173	346,228	934,401	95,498
Restricted For				
Streets and highways	24,703	0	24,703	0
Public safety	1,935	0	1,935	0
Library/community development	0	0	0	185,555
Unrestricted	6,048	148,818	154,866	0
 Total Net Assets	 \$ 620,859	 \$ 495,046	 \$ 1,115,905	 \$ 281,053

The Notes to Financial Statement are an integral part of this statement.

VILLAGE OF HOPKINS
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2007

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
General government	\$ 152,861	\$ 0	\$ 0	\$ 0	\$ (152,861)	\$ 0	\$ (152,861)	\$ 0
Public safety	80,027	3,234	0	0	(76,793)	0	(76,793)	0
Public works	107,831	0	0	0	(107,831)	0	(107,831)	0
Community/Economic development	762	0	0	0	(762)	0	(762)	0
Recreation and culture	850	0	0	0	(850)	0	(850)	0
Debt service	399	0	0	0	(399)	0	(399)	0
Total Governmental Activities	342,729	3,234	0	0	(339,495)	0	(339,495)	0
Business-Type Activities								
Sewer Fund	50,816	53,399	0	0	0	2,584	0	0
Total Primary Government	\$ 393,545	\$ 56,633	\$ 0	\$ 0	(339,495)	2,584	(336,911)	0
Component Units								
Library Fund	\$ 109,348	\$ 132	\$ 0	\$ 0	0	0	0	(109,216)
Downtown Development Fund	47,913	0	0	0	0	0	0	(47,913)
Total Component Units	\$ 157,260	\$ 132	\$ 0	\$ 0	0	0	0	(157,129)
General Revenues								
Property taxes					96,996	0	96,996	71,061
State revenues					105,660	0	105,660	4,292
Unrestricted investment earnings					387	3,888	4,274	6,327
Rent					43,859	0	43,859	0
Miscellaneous, fines & forfeits					31,672	0	31,672	49,276
Transfers					(235)	235	(0)	0
Total General Revenues-Special Items and Transfers					278,338	4,123	282,461	130,956
Change in Net Assets					(61,159)	6,707	(54,451)	(26,172)
Net Assets-Beginning					682,018	488,339	1,170,357	307,225
Net Assets-Ending					\$ 620,859	\$ 495,046	\$ 1,115,906	\$ 281,053

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF HOPKINS
GOVERNMENTAL FUND BALANCE SHEET
December 31, 2007

	General Fund	Major Street Fund	Local Street Fund	Police Fund	Non-Major Governmental Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 19,741	\$ 16,811	\$ 3,311	\$ 572	\$ 0	\$ 40,435
Investments	0	0	0	0	0	0
Receivables - net	27,535	5,393	2,094	1,363	0	36,385
Due from other funds	7,750	0	0	0	0	7,750
Prepays	3,434	0	0	0	0	3,434
Total Assets	58,460	22,204	5,405	1,935	0	88,004
LIABILITIES						
Accounts payable	3,412	0	0	0	0	3,412
Due to other funds	49,000	1,905	1,001	0	0	51,906
Total Liabilities	52,412	1,905	1,001	0	0	55,318

FUND BALANCES

Reserved for						
Public works	0	20,299	4,404	0	0	24,703
Public safety	0	0	0	1,935	0	1,935
Unreserved	6,048	0	0	0	0	6,048
Total Fund Balances	\$ 6,048	\$ 20,299	\$ 4,404	\$ 1,935	\$ 0	\$ 32,686

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds. 636,572

Debt principal repayments and proceeds of debt are not reported on the statement of activities. (48,399)

Net Assets of Governmental Activities \$ 620,859

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF HOPKINS
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
December 31, 2007

	General Fund	Major Street Fund	Local Street Fund	Police Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Taxes and penalties	\$ 86,378	\$ 0	\$ 0	\$ 10,620	\$ 0	\$ 96,998
Licenses and permits	0	0	0	0	3,234	3,234
State aid	55,955	35,802	13,902	0	0	105,659
Contributions from Local Units	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fines & Forfeits	0	0	0	0	0	0
Interest and rentals	44,127	90	27	0	0	44,244
Other revenue	15,754	11,085	0	4,833	0	31,672
Total Revenues	202,214	46,977	13,929	15,453	3,234	281,807
Expenditures						
Current						
General government	138,235	0	0	0	0	138,235
Public safety	14,509	0	0	62,286	3,234	80,029
Public works	15,905	45,305	27,875	0	0	89,085
Recreation and cultural	850	0	0	0	0	850
Community/Economic development	762	0	0	0	0	762
Capital outlay	115,387	0	0	0	0	115,387
Debt Service	0	0	0	0	2,000	2,000
Total Expenditures	285,648	45,305	27,875	62,286	5,234	426,348
Excess of Revenues Over (Under) Expenditures	(83,434)	1,672	(13,946)	(46,833)	(2,000)	(144,541)
Other Financing Sources (Uses)						
Transfers in	0	15,000	9,000	46,544	2,000	72,544
Transfers (out)	(63,779)	(9,000)	0	0	0	(72,779)
Proceeds of Debt	50,000	0	0	0	0	50,000
Total Other Financing Sources (Uses)	(13,779)	6,000	9,000	46,544	2,000	49,765
Excess of Revenue and Other Sources Over (Under) Expenditures & Other Uses	(97,213)	7,672	(4,946)	(289)	0	(94,776)
Fund Balance - Jan 1, 2007	103,261	12,627	9,350	2,224	0	127,462
Fund Balance-Dec 31, 2007	\$ 6,048	\$ 20,299	\$ 4,404	\$ 1,935	\$ 0	\$ 32,686

The Notes to Financial Statements are an integral part of this statement.

**VILLAGE OF HOPKINS
 PROPRIETARY FUND STATEMENT OF NET ASSETS
 DECEMBER 31, 2007**

	Sewer Fund
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 98,138
Investments	0
Receivables - net	3,981
Due from other funds	<u>49,000</u>
Total Current Assets	151,119
Noncurrent Assets	
Capital Assets - net	<u>346,228</u>
Total Noncurrent Assets	<u>346,228</u>
Total Assets	<u>497,347</u>
LIABILITIES	
Current Liabilities	
Accounts payable	0
Due to other funds	2,301
Current portion of noncurrent liabilities	<u>0</u>
Total Current Liabilities	<u>2,301</u>
Noncurrent Liabilities	
Bonds, notes and loans payable	<u>0</u>
Total Noncurrent Liabilities	<u>0</u>
Total Liabilities	<u>2,301</u>
NET ASSETS	
Invested in capital assets - net of related debt	346,228
Restricted for debt service	0
Unrestricted	<u>148,818</u>
Total Net Assets	<u><u>\$ 495,046</u></u>

The Notes to Financial Statements are an integral part of this statement.

**VILLAGE OF HOPKINS
 PROPRIETARY FUND STATEMENT OF REVENUE, EXPENSES AND
 CHANGES IN NET ASSETS
 DECEMBER 31, 2007**

	<u>Sewer Fund</u>
Operating Revenues	
Charges for services	\$ 53,399
Other	<u>0</u>
Total Operating Revenues	<u>53,399</u>
Operating Expenses	
Public works	<u>50,816</u>
Total Operating Expenses	<u>50,816</u>
Operating Income (Loss)	<u>2,584</u>
Nonoperating Revenues (Expenses)	
Interest and investment revenue	3,888
Transfers In	<u>235</u>
Total Nonoperating Revenue (Expense)	<u>4,123</u>
Change in Net Assets	6,707
Total Net Assets - Beginning Jan 1, 2007	<u>488,339</u>
Total Net Assets - Ending Dec 31, 2007	<u><u>\$ 495,046</u></u>

The Notes to Financial Statements are an integral part of this statement.

**VILLAGE OF HOPKINS
 PROPRIETARY FUND STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2007**

		<u>Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 2,584	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Decrease in tax receivable	499	
Increase in amounts payable to other funds	2,301	
Transfer In	235	
Depreciation	<u>17,289</u>	
Net cash provided (used) by operating activities		22,908
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Increase in amount due from other funds - paving project	<u>(49,000)</u>	
Net cash provided (used) by capital and related financing activities		(49,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	<u>3,888</u>	
Net Cash Provided by Investing Activities		<u>3,888</u>
Net Increase (Decrease) in Cash and Cash Equivalents		(22,204)
Balances - Beginning of the year		<u>120,342</u>
Balances - End of the year		<u>\$ 98,138</u>

The Notes to the Financial Statements are an integral part of this statement.

VILLAGE OF HOPKINS
STATEMENT OF NET ASSETS-COMPONENT UNITS
DECEMBER 31, 2007

	Downtown Development Fund	Library Fund	Total Component Units
ASSETS			
Cash and cash equivalents	\$ 11,079	\$ 122,399	\$ 133,478
Investments	0	0	0
Receivables - net	31,973	22,404	54,377
Capital assets - net	0	95,498	95,498
Prepaid assets	0	1,450	1,450
	<hr/>	<hr/>	<hr/>
Total Assets	43,052	241,751	284,803
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts payable	0	1,207	1,207
Accrued and other liabilities	2,543	0	2,543
Noncurrent liabilities			
Due within one year	0	0	0
Due in more than one year	0	0	0
	<hr/>	<hr/>	<hr/>
Total Liabilities	2,543	1,207	3,750
	<hr/>	<hr/>	<hr/>
NET ASSETS			
Invested in capital assets - net of related debt	0	95,498	95,498
Restricted for			
Library services		145,046	145,046
Cultural/Community development	40,509		40,509
Unrestricted	0	0	0
	<hr/>	<hr/>	<hr/>
Total Net Assets	<u>\$ 40,509</u>	<u>\$ 240,544</u>	<u>\$ 281,053</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF HOPKINS
STATEMENT OF ACTIVITIES-COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2007

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Library Fund	Downtown Development Fund
Library Fund						
Cultural and recreation	\$ 109,348	\$ 132	\$ 0	\$ 0	\$ (109,216)	\$ 0
						\$ (109,216)
Downtown Development Fund						
Cultural and recreation	47,913	0	0	0	0	(47,913)
						(47,913)
Total Primary Government	\$ 157,260	\$ 132	\$ 0	\$ 0	(109,216)	(157,129)
General Revenues						
Property Taxes					37,762	33,298
State aid					4,292	0
Unrestricted investment earnings					5,417	911
Fines & forfeits					33,443	0
Miscellaneous					3,459	12,374
						15,833
Total General Revenues					84,373	46,583
						130,956
Change in Net Assets					(24,843)	(1,329)
						(26,172)
Net Assets-Beginning					265,387	41,838
						307,225
Net Assets-Ending					\$ 240,544	\$ 40,509
						\$ 281,053

The Notes to Financial Statements are an integral part of this statement.

**VILLAGE OF HOPKINS
COMPONENT UNIT BALANCE SHEET
DECEMBER 31, 2007**

	Downtown Development Fund	Library	Total Component Units
ASSETS			
Cash and cash equivalents	\$ 11,079	\$ 122,399	\$ 133,478
Investments	0	0	0
Receivables - net	31,973	22,404	54,377
Due from other funds	0	0	0
Prepaid Assets	0	1,450	1,450
Total Assets	<u>43,052</u>	<u>146,253</u>	<u>189,305</u>
LIABILITIES			
Accounts payable	0	1,207	1,207
Due to other funds	<u>2,543</u>	<u>0</u>	<u>2,543</u>
Total Liabilities	<u>2,543</u>	<u>1,207</u>	<u>3,750</u>
FUND BALANCES			
Reserved For			
Library services	0	145,046	145,046
Cultural/Community facility	40,509	0	40,509
Unreserved	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>\$ 40,509</u>	<u>\$ 145,046</u>	<u>185,555</u>
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Capital assets used in governmental activities are not financial resources and are not reported in the funds			<u>95,498</u>
Net Assets of Component Units			<u>\$ 281,053</u>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF HOPKINS
COMPONENT UNIT STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2007**

	Downtown Development Fund	Library	Total Component Units
Revenues			
Taxes and penalties	\$ 33,298	\$ 37,762	\$ 71,060
Licenses and permits	0	0	0
State aid	0	4,292	4,292
Contributions	0	0	0
Charges for services	0	132	132
Fines and forfeits	0	33,443	33,443
Interest and rentals	911	5,417	6,328
Other revenue	12,374	3,459	15,833
Total Revenues	<u>46,583</u>	<u>84,505</u>	<u>131,088</u>
Expenditures			
Current			
Library services	0	90,319	90,319
Cultural/Community services	2,543	0	2,543
Capital Outlay	45,370	4,840	50,210
Total Expenditures	47,913	95,159	143,072
Excess of Revenues Over (Under) Expenditures	<u>(1,330)</u>	<u>(10,654)</u>	<u>(11,984)</u>
Other Financing Sources (Uses)			
Transfers in	0	0	0
Transfers (out)	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Excess of Revenue and Other Sources Over (Under) Expenditures & Other Uses	(1,330)	(10,654)	(11,984)
Fund Balance-Jan 1, 2007	<u>41,839</u>	<u>155,700</u>	<u>197,539</u>
Fund Balance-Dec 31, 2007	<u>\$ 40,509</u>	<u>\$ 145,046</u>	<u>\$ 185,555</u>

The Notes to Financial Statements are an integral part of this statement.

**VILLAGE OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Hopkins, Allegan County, Michigan is a general law municipal village. The Village operates under an elected Council government and provides the following services as authorized by its charter: public safety, highways and street, public improvements, cultural recreation, planning and zoning, and administrative services.

The accounting policies of the Village of Hopkins conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. The Reporting Entity

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", these financial statements present the Village of Hopkins. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

Component Units

In conformity with generally accepted accounting principles, the financial statements of component units have been included in the financial reporting entity as discretely presented component units.

Discretely Presented Component Units

The component units' columns in the combined financial statements include the financial data of the Village of Hopkins' two other component units. Those units are reported in a separate column to emphasize that they are legally separate from the Village of Hopkins, but for which the Village is financially accountable, or its' relationship with the Village is such that exclusion would cause the unit's financial statements to be misleading or incomplete.

The Village of Hopkins approved the Downtown Development Authority in 1992. The Township of Hopkins has provided tax increment funding during the period under audit. The DDA plan provides funding for Village water systems, park improvements, land use planning and zoning, sanitary sewer improvements, side walk improvements, and any other projects.

The Public Library provides access to literary mediums. Magazines, books, videos and computer access allow residents of local townships and the Village to enjoy research and reading.

The complete financial statements of the individual component units are included within this report on audit of financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements.

**VILLAGE OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (continued)

Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current period. All other revenue items are considered to be available only when cash is received by the government.

**VILLAGE OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(continued)

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Major and Local Street Funds and Police Fund are Special Revenue Funds of the Village. The Major and Local Street Funds and Police Fund are used to account for the proceeds of specific revenue tax millages that are legally restricted to expenditures for specified purposes.

The government reports the following major proprietary funds:

The Sewer Fund accounts for the activities of the sewage collection system.

Additionally, the government reports the following non-major fund types:

The Building Inspection and Debt Service Funds are Special Revenue Funds of the Village. The Building Inspection Fund is used to account for proceeds of special purpose programs. The Debt Service Fund is used to account for debt repayments.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule would be charges between the government's enterprise funds and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. The Village of Hopkins does have one enterprise fund, the Sewer Fund.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating revenue items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary fund relates to charges to customers for sales and services. The sewer fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

**VILLAGE OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables-In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Summer taxes are levied by the Village. Winter taxes are levied by the Township of Hopkins on the Village's behalf. Property taxes are levied in July (Village) and December (Township) on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent in the following September and March of the following respective period, at which time penalties and interest are assessed.

Inventories and Prepaid Items-Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets-Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	30 to 40 years
Building Improvements	15 to 30 years
Roads	10 to 30 years
Sidewalks	20 to 30 years
Fire Equipment	07 to 25 years
Vehicles	03 to 07 years
Office Equipment	05 to 07 years
Computer Equipment	03 to 07 years

**VILLAGE OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

Compensated Absences (Vacation and Sick Leave)-It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Compensated absences and unpaid vacations were considered but not accrued due to immateriality in amount.

Fund Equity-In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-wide financial statements differ from the Governmental fund financial statements for the effect of the inclusion of capital assets and long term debts.

Capitalized Asset Costs	\$	1,124,068
Less Accumulated Depreciation		(487,496)
Capital Assets - net		636,572
Less Debt		(48,399)
Net Adjustments		588,173
Governmental Fund Balances		<u>32,686</u>
Net Assets of Governmental Activities	\$	620,859

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information-The Village of Hopkins follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device during the year. These budgets are adopted on a basis consistent with generally accepted accounting principles.
2. The Village Council approves, by ordinance, total budget appropriations only. Any revisions that alter the total appropriations of any fund must be approved by the Village Council, therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).
3. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
4. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

**VILLAGE OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2007**

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Excess of Expenditures Over Appropriations in Budgeted Funds-During the year, the Local Governmental Unit incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated, as follows:

<u>Budget Item</u>	<u>Budget Appropriation</u>	<u>Actual Expenditure</u>
General Fund - Building & Grounds	\$ 103,209	\$ 111,508
General Fund - Attorney	1,000	7,280
General Fund - Transfer to Other Funds	63,000	63,779
Major Street - Roads/Sidewalks	37,550	45,304
Local Street - Roads/Sidewalks	22,550	27,875
Police Fund - Public Safety	48,000	62,286

Fund Deficits-The Local Governmental Unit has no accumulated fund balance deficits at this time.

NOTE 4 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government of federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated several banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority.

**VILLAGE OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2007**

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Proprietary Funds</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Cash & Cash Equivalents	\$ 40,435	\$ 98,138	\$ 138,573	\$ 133,478

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>	<u>Component Units</u>
Bank Deposits (checking and savings accounts, certificates of deposit)	\$ 138,573	\$133,478
Investments in Securities, Mutual Funds and Similar Vehicles	-	-
Petty Cash and Cash on Hand	-	-
Total	<u>\$ 138,573</u>	<u>\$ 133,478</u>

The book balance of the primary government's deposits is \$138,573 of which \$138,573 is covered by federal depository insurance.

**VILLAGE OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 5 - RECEIVABLES

Receivables as of year-end for the government's individual major, nonmajor and business funds, with discretely presented component units in the aggregate, including the applicable allowances for uncollectible accounts, are reported in the Government Wide Statement of Net Assets as follows:

	General Fund	Major Funds				Non-Major and Other Funds	Governmental		Business Type	Component Units
		Major Street Fund	Local Street Fund	Police Fund			Activities Total			
Charges receivable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,359	\$ 0	0
Taxes receivable	8,811	0	0	1,363	0	0	10,174	623	54,376	54,376
State revenues receivable	18,724	5,393	2,094	0	0	0	26,211	0	0	0
Due from other funds	7,750	0	0	0	0	0	7,750	49,000	0	0
Less: allowance for uncollectibles	0	0	0	0	0	0	0	0	0	0
Net Receivables	\$ 35,285	\$ 5,393	\$ 2,094	\$ 1,363	\$ 0	\$ 0	\$ 44,135	\$ 52,981	\$ 54,376	

**VILLAGE OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 6 - CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Primary Government				
Capital Assets Not Being Depreciated				
Land	\$ 45,506	\$ 0	\$ 0	\$ 45,506
Subtotal	<u>45,506</u>	<u>0</u>	<u>0</u>	<u>45,506</u>
Capital Assets Being Depreciated				
Buildings, additions and improvements	47,968	0	0	47,968
Improvements other than buildings	30,714	0	0	30,714
Sewer system	644,907	0	0	644,907
Vehicles	85,305	0	0	85,305
Machinery and equipment	70,785	7,483	0	78,268
Infrastructure	<u>683,068</u>	<u>153,240</u>	<u>0</u>	<u>836,308</u>
Subtotal	<u>1,562,747</u>	<u>160,723</u>	<u>0</u>	<u>1,723,470</u>
Less Accumulated Depreciation for				
Buildings, additions and improvements	25,586	2,531	0	28,117
Improvements other than buildings	7,764	1,554	0	9,318
Sewer system	281,390	17,289	0	298,679
Vehicles	64,894	6,070	0	70,964
Machinery and equipment	48,400	4,470	0	52,870
Infrastructure	<u>307,481</u>	<u>18,746</u>	<u>0</u>	<u>326,227</u>
Subtotal	<u>735,515</u>	<u>50,660</u>	<u>0</u>	<u>786,175</u>
Net Capital Assets Being Depreciated	<u>827,232</u>	<u>110,063</u>	<u>0</u>	<u>937,295</u>
Governmental and Business Activities				
Capital Total				
Capital Assets-Net of Depreciation	<u>\$ 872,738</u>	<u>\$ 110,063</u>	<u>\$ 0</u>	<u>\$ 982,800</u>

The Village assets have been evaluated according to GASB 34 guidelines. The Village owns the main street bridge which historical cost values are unknown. This asset is fully depreciated, as applicable, with unknown salvage values. The most recent asset acquisitions are recorded and depreciated.

The Village maintains all infrastructure within the Village Limits. Private individuals have partially funded infrastructure. An estimated historical value at time of donation equals \$153,623 for these roads. Sewer systems are owned and maintained by the Village.

Depreciation expense was charged to programs of the Village as follows:

Primary Government

General government	\$ 14,625
Public works	18,746
Sewer	<u>17,289</u>
Total Primary Government Activities	<u>\$ 50,660</u>

**VILLAGE OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 6 - CAPITAL ASSETS (Continued)

Capital asset activity

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Component Units				
Hopkins Library	\$ 388,777	\$ 4,840	\$ 0	\$ 393,617
Less Accumulated Depreciation	<u>(279,472)</u>	<u>(19,029)</u>	<u>0</u>	<u>(298,501)</u>
Net Value	109,305	(14,189)	0	95,498

The component units are recording fixed assets as follows:

The Library retains control of its assets and maintains them. The building was constructed in 1979 with subsequent additions and improvements. An estimate of books was obtained to include this material collection. The Downtown Development Association purchases capital assets. However, the assets are given to the Village to maintain and control their use. Examples from prior years are the Park and Pavillion projects. A paving project was purchased and donated to the Village in the current fiscal year.

Depreciation expense was changed to programs of the component units as follows:

Hopkins Library	\$ 19,029
Downtown Development Association	<u>0</u>
Total Culture & Recreation Activities	19,029

**VILLAGE OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 7 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

The composition of interfund balances is as follows:

Due To/From Other Funds			
<u>Receivable Fund</u>		<u>Payable Fund</u>	<u>Amount</u>
General	\$ 7,750	Sewer	\$ 2,301
Sewer	<u>49,000</u>	General	49,000
		DDA	2,543
		Major Street	1,905
		Local Street	<u>1,001</u>
Total	<u>\$ 56,750</u>		<u>\$ 56,750</u>

Sewer, Major & Local Street interfund balances exist to repay normal transactions disbursed by the General Fund. DDA will reimburse legal fees paid by the General Fund. The General Fund borrowed \$50,000 from the General Fund to finance the repaving of Main Street.

Interfund Transfers

<u>Transfers In</u>	<u>Transfers (Out)</u>		<u>Total</u>
	<u>General Fund</u>	<u>Major Street Fund</u>	
Major Street Fund	\$ 15,000	\$ 0	\$ 15,000
Local Street Fund	0	9,000	9,000
Police Fund	46,544	0	46,544
Debt Service Fund	2,000	0	2,000
Sewer	<u>235</u>	<u>0</u>	<u>235</u>
Total	<u>\$ 63,779</u>	<u>\$ 9,000</u>	<u>\$ 72,779</u>

**VILLAGE OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 8 - VILLAGE DEBTS

The Village paved the Main Street and misc side street projects in October 2007. The project was funded by a loan from a local bank. A total of \$50,000 was borrowed for a 5 year period. Monthly payments of \$1,000 are required, at an interest rate of 3.75%. Payments are made timely.

	Beginning Debt Requirements <u>1/1/07</u>	<u>Additions</u>	<u>Payments</u>	Ending Debt Requirement <u>12/31/07</u>
Principal	\$ -	\$ 50,000	\$ (1,601)	\$ 48,399
Interest	-	<u>4,415</u>	<u>(399)</u>	<u>4,016</u>
	\$ -	\$ 54,415	\$ (2,000)	\$ 52,415

Debt service requirements will be \$12,000 in annually until 2012.

NOTE 9 - FIRE DEPARTMENT

The Village of Hopkins entered into an Interlocal Fire Protection agreement with area townships. This agreement formed the Hopkins Area Fire Board which provides basic fire protection services throughout the Hopkins fire district. The fire department is governed; managed and controlled by the Hopkins Area Fire Board. The last audit of the Fire Control Board, as of March 31, 2007 reflects the following from the Government Wide financial statements:

Current assets	\$ 48,501	Total Expenses	\$ 122,159
Fire equipment - net	<u>222,160</u>	Plus Program Revenue	120,660
Total assets	270,661	Net Revenues	(1,499)
Liabilities	8,320	Plus General Revenues	<u>704</u>
Investment in		Change in Net Assets	(795)
Capital assets	222,160		
Net assets-restricted for			
Public Safety	<u>40,181</u>		
	262,341		

NOTE 10 - BUILDING INSPECTION SERVICES

Public Act 245 of 1999 became effective January 1, 2000. This construction code act specified that a statewide code would apply to the plumbing, electrical, mechanical and building codes, dictating the Village's involvement in these services. The Village of Hopkins subcontracts this service to a local inspector. No profit or loss is recognized from this service.

REQUIRED SUPPLEMENTAL INFORMATION

**VILLAGE OF HOPKINS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2007**

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning of Year Fund Balance	103,261	103,261	103,261	0
Resources (Inflows)				
Taxes and penalties	92,655	92,655	86,378	(6,277)
Licenses and permits	0	0	0	0
State aid	56,000	56,000	55,955	(45)
Contributions from local government	0	0	0	0
Interest and rentals	34,250	34,250	44,127	9,877
Miscellaneous revenues	5,650	5,650	15,754	10,104
Transfers from other funds	0	0	0	0
Proceeds of debt	0	0	50,000	50,000
Amounts Available for Appropriation	291,816	291,816	355,475	63,659
Charges to Appropriations (Outflows)				
General Government				
Village operations	38,497	20,000	19,445	555
Other General Government				
Building and grounds	84,712	103,209	111,508	(8,299)
Attorney	1,000	1,000	7,280	(6,280)
Public Safety	16,080	16,080	14,509	1,571
Public Works	0	0	15,905	0
Recreation and culture	1,000	1,000	850	150
Community/Economic development	1,000	1,000	762	238
Capital outlay	5,000	115,387	115,387	0
Transfers to other funds	63,000	63,000	63,779	(779)
Total Charges to Appropriations	210,289	320,676	349,426	(12,843)
Budgetary Fund Balance-Dec 31	<u>\$ 81,527</u>	<u>\$ (28,860)</u>	<u>\$ 6,048</u>	<u>\$ 34,908</u>

**VILLAGE OF HOPKINS
BUDGETARY COMPARISON SCHEDULE
MAJOR STREET FUND
YEAR ENDED DECEMBER 31, 2007**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Beginning of Year Fund Balance	\$ 12,627	\$ 12,627	\$ 12,627	\$ (0)
Resources (Inflows)				
State aid	31,000	31,000	35,802	4,802
Interest	50	50	90	40
Miscellaneous	500	500	11,085	10,585
Transfers In	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Amounts Available for Appropriation	<u>59,177</u>	<u>59,177</u>	<u>74,603</u>	<u>15,426</u>
Charges to Appropriation (Outflows)				
Public Works				
Roads	37,550	37,550	45,304	(7,754)
Transfers Out	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>0</u>
Total Charges to Appropriations	<u>46,550</u>	<u>46,550</u>	<u>54,304</u>	<u>(7,754)</u>
Budgetary Fund Balance-Dec 31	<u>\$ 12,627</u>	<u>\$ 12,627</u>	<u>\$ 20,299</u>	<u>\$ 7,672</u>

**VILLAGE OF HOPKINS
BUDGETARY COMPARISON SCHEDULE
LOCAL STREET FUND
YEAR ENDED DECEMBER 31, 2007**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Beginning of Year Fund Balance	\$ 9,350	\$ 9,350	\$ 9,350	\$ (0)
Resources (Inflows)				
State aid	13,000	13,000	13,903	903
Interest	50	50	27	(23)
Miscellaneous	500	500	0	(500)
Transfers In	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>0</u>
Amounts Available for Appropriation	<u>31,900</u>	<u>31,900</u>	<u>32,279</u>	<u>379</u>
Charges to Appropriation (Outflows)				
Public Works				
Roads	<u>22,550</u>	<u>22,550</u>	<u>27,875</u>	<u>(5,325)</u>
Total Charges to Appropriations	<u>22,550</u>	<u>22,550</u>	<u>27,875</u>	<u>(5,325)</u>
Budgetary Fund Balance-Dec 31	<u>\$ 9,350</u>	<u>\$ 9,350</u>	<u>\$ 4,404</u>	<u>\$ (4,945)</u>

**VILLAGE OF HOPKINS
BUDGETARY COMPARISON SCHEDULE
POLICE FUND
YEAR ENDED DECEMBER 31, 2007**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Beginning of Year Fund Balance	\$ 2,224	\$ 2,224	\$ 2,224	\$ 0
Resources (Inflows)				
Taxes and penalties	11,484	11,484	10,620	(864)
Miscellaneous	5,250	5,250	4,833	(417)
Transfers from other funds	48,000	48,000	46,544	(1,456)
Amounts Available for Appropriation	<u>66,958</u>	<u>66,958</u>	<u>64,221</u>	<u>(2,737)</u>
Charges to Appropriations (Outflows)				
Public Safety				
Police	<u>48,000</u>	<u>48,000</u>	<u>62,286</u>	<u>(14,286)</u>
Total Charges to Appropriations	<u>48,000</u>	<u>48,000</u>	<u>62,286</u>	<u>(14,286)</u>
Budgetary Fund Balance-Dec 31	<u><u>\$ 18,958</u></u>	<u><u>\$ 18,958</u></u>	<u><u>\$ 1,935</u></u>	<u><u>\$ (17,023)</u></u>

ADDITIONAL INFORMATION

**VILLAGE OF HOPKINS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2007**

	Building Inspection	Debt Service	Total Non-Major Governmental Funds
Assets			
Cash and cash equivalents	\$ 0	\$ 0	\$ 0
Investments	0	0	0
Receivables - net	0	0	0
Due from other funds	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Liabilities and Fund Equity			
Liabilities			
Accounts payable	0	0	0
Due to other funds	0	0	0
Total Liabilities	0	0	0
Fund Balance			
Reserved	0	0	0
Unreserved	0	0	0
Total Fund Equity	0	0	0
Total Liabilities and Fund Equity	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The Notes to the Financial Statements are an integral part of this statement.

VILLAGE OF HOPKINS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2007

	Building Inspection	Debt Service	Total Non-Major Governmental Funds
Revenues			
Taxes and penalties	\$ 0	\$ 0	\$ 0
Licenses and permits	3,234	0	3,234
State aid	0	0	0
Other revenue	0	0	0
Total Revenues	3,234	0	3,234
Expenditures			
Current			
Public safety	3,234	0	3,234
Debt Services			
Principal	0	1,601	1,601
Interest	0	399	399
Total Expenditures	3,234	2,000	5,234
Excess of Revenues Over (Under) Expenditures	0	(2,000)	(2,000)
Other Financing Sources (Uses)			
Operating transfers in	0	2,000	2,000
Operating transfers (out)	0	0	0
Total Other Financing Sources (Uses)	0	2,000	2,000
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	0	0	0
Fund Balance - Jan 1, 2007	0	0	0
Fund Balance - Dec 31, 2007	\$ 0	\$ 0	\$ 0

The Notes to the Financial Statements are an integral part of this statement.

ANGLE & STEFFES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.

June 24, 2008

Village of Hopkins
Village Council Members
Hopkins, MI 49328

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Hopkins, Hopkins, Michigan, as of and for the year ended December 31, 2007, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 24, 2008. We conducted our audit on accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Hopkins' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Hopkins, Hopkins, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Hopkins, Hopkins, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We note certain matters for management's attention and improvement, those control deficiencies that are not considered significant deficiencies or material weaknesses involving internal control:

Budget Approval and Documentation

The Village Council of the Village of Hopkins does monitor expenditures and is aware of fiscal accountability by reviewing its budget. However the budget process is not documented to show the balancing of funds on a line item basis but is discussed in overall total. The minutes of the Council's meetings should document the specific amendments and be supported with specific line item worksheets that are approved. Your attention is required.

This report is intended solely for the information and use of management and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



Angle & Steffes, P.C.
Certified Public Accountants
Allegan, Michigan